

## Message Text

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46

ACTION XMB-07

INFO OCT-01 ARA-16 ISO-00 EB-11 AID-20 COME-00 TRSE-00

CIAE-00 INR-10 NSAE-00 RSC-01 DRC-01 /067 W

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P 111737Z JAN 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC PRIORITY 4946

UNCLAS BUENOS AIRES 0270

PASS EXIMBANK

E.O. 11652: N/A

TAGS: EFIN, AR

SUBJECT: RIO GRANDE PUMPED STORAGE HYDROELECTRIC PROJECT

REF BA 9000

1. ALLIS CHALMERS, ONLY US FIRM WHICH BID ON RIO GRANDE HYDROELECTRIC PROJECT, WITH AID OF EXIM PC, INFORMS EMBASSY THEY FEEL THEY ARE IN FAVORABLE POSITION TO WIN AWARD.

2. THOUGH ONE OF COMPETITORS' BIDS IS NOMINALLY LESS COSTLY THAN THEIRS, IT APPEARS COMPETITOR'S ESTIMATE IS INCOMPLETE AND, IF COMPLETED, WOULD BE MORE EXPENSIVE THAN ALLIS CHALMERS (AC) OFFER. ADDITIONALLY, WE ARE INFORMED BY ALLIS REPS THAT ALL THREE BIDS IN COMPETITION WITH THEIRS OFFER SAME TURBINES (ESCHER WYSS - GIE) LEADING REPS TO CONCLUDE THERE IS COLLUSION AMONGST COMPETITION AND THEY HAVE ONE NOT THREE COMPETITORS. REPS HAVE POINTED OUT ALL THESE FACTORS IN CONVERSATIONS WITH AGUA Y ENERGIA ELECTRICA OFFICIALS. THESE CONVERSATIONS HAVE ALSO CONVINCED THEM THAT A Y EE IS DEFINITELY WILLING TO CONSIDER THEIR OFFER DESPITE THEIR EARLIER APPREHENSIONS ABOUT EXIM FINANCING.

3. OFFICIALS OF COMMITTEE EVALUATING BIDS HAVE RAISED ONLY TWO PROBLEMS WITH ALLIS CHALMERS OFFER. ONE, IS THE TENTATIVE NATURE OF EXIM'S FINANCING OFFER (BECAUSE OF STANDARD CONDITIONAL UNCLASSIFIED

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LANGUAGE IN PENULTIMATE PARAGRAPH OF PC); ON THIS SCORE AC

FEELS THEY HAVE SATISFIED COMMITTEE, THE SECOND IS DURATION OF GRACE PERIOD MENTIONED IN REFTEL. AC REPS HAVE ASKED EMBASSY TO DETERMINE FROM EXIM WHETHER GRACE PERIOD WILL BE EXTENDED PER THEIR EARLIER REQUEST. THEY FEEL THIS IS NOW ONLY OBSTACLE TO WINNING AWARD. ADDITIONALLY, THEY NOTE AWARD IS LIKELY TO BE MADE PRIOR TO FIRST WEEK IN FEBRUARY BECAUSE OF DESIRE OF A Y EE ADMINISTRATOR PETRONI TO SPEED PROGRESS OF PROJECT.

4. EMBASSY WOULD APPRECIATE HEARING FROM EXIM ON WHAT, IF ANY, ACTION CAN BE TAKEN TO AMEND PC AND LIKELY TIMING OF SUCH ACTION, IN ORDER TO BE ABLE TO ADVISE LOCAL AC REPS.  
KREBS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSTRUCTION, HYDROELECTRIC POWER PLANTS, PROPOSALS (BID)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 JAN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974BUENOS00270  
**Document Source:** CORE  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
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**Office:** ACTION XMB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** RIO GRANDE PUMPED STORAGE HYDROELECTRIC PROJECT  
**TAGS:** EFIN, ENRG, BEXP, AR  
**To:** STATE  
**Type:** TE  
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